

CONTRACT # 5
RFS # N/A
UT Tracking No. 98031

University of Tennessee
Health Science Center

VENDOR:
East Tennessee Children's
Hospital



THE UNIVERSITY of TENNESSEE

Vice President for Administration and Finance

711 Andy Holt Tower
Knoxville, TN 37996-0174
Phone: (865) 974-2243
Fax: (865) 974-1324

December 20, 2006

Mr. Jim White
Executive Director
Fiscal Review Committee
8th Floor, Rachel Jackson Building
Nashville, TN 37243

RECEIVED

DEC 21 2006

FISCAL REVIEW

Dear Mr. White:

The university is submitting a non-competitively bid contract between the UT Health Science Center Graduate School of Medicine and the East Tennessee Children's Hospital (ETCH) for the faculty/physician supervision and teaching of Family Medicine residents. The Accreditation Council for Graduate Medical Education requires Family Medicine residents be trained in pediatrics and the university has entered into an affiliation agreement with ETCH for these services as they are the only facility in Knoxville that has a sufficient pediatric patient volume for our purposes.

Attached for the committee's review is a contract for \$72,200 for the period July 1, 2006 through June 30, 2007. The contract is before the committee for review as we enter into annual contracts with ETCH and the cumulative effect of these contracts results in total expenditures of \$623,200 through June 30, 2007. The contract is submitted late because of internal miscommunications between the Department of Family Medicine and the Graduate School of Medicine Business Office, both of which believe the other unit had already submitted the contract for review.

If you have any questions or need additional information, please let me know.

Sincerely,

Sylvia Shannon Davis
Vice President for Administration and Finance

c: John Petersen
Anthony Ferrara
Bill Owen
Anthony Haynes
Sandra Pulliam
Gary Rogers

CONTRACT SUMMARY SHEET

021406

RFS #				Contract #			
				98031			
State Agency				State Agency Division			
University of Tennessee				Health Science Center			
Contractor Name				Contractor ID # (FEIN or SSN)			
East Tennessee Children's Hospital				<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 62-6002604			
Service Description							
Faculty/Physician supervision and teaching of residents and fellows in the Family Medicine Residency Program							
Contract BEGIN Date		Contract END Date		Subrecipient or Vendor?		CFDA #	
7/1/2006		6/30/2007		Vendor		N/A	
Mark Each TRUE Statement							
<input type="checkbox"/> N/A Contractor is on STARS				<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts			
Allotment Code		Cost Center		Object Code		Fund	
332.34		N/A		N/A		N/A	
Funding Grant Code		Funding Subgrant Code		Funding Grant Code		Funding Subgrant Code	
N/A		N/A		N/A		N/A	
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount		
2002				\$ 110,200.00	\$ 110,200.00		
2003				\$ 110,200.00	\$ 220,400.00		
2004				\$ 110,200.00	\$ 330,600.00		
2005				\$ 110,200.00	\$ 440,800.00		
2006				\$ 110,200.00	\$ 551,000.00		
2007				\$ 72,200.00	\$ 623,200.00		
TOTAL:	\$ -	\$ -	\$ -	\$ 623,200.00	\$ 623,200.00		
COMPLETE FOR AMENDMENTS ONLY				State Agency Fiscal Contact & Telephone #			
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Sylvia Davis, 865-974-2243				
2002	\$ 110,200.00		State Agency Budget Officer Approval Sylvia Shannon Davis, VP Administration and Finance				
2003	\$ 110,200.00						
2004	\$ 110,200.00						
2005	\$ 110,200.00						
2006	\$ 110,200.00		Funding Certification (certification required by T.O.A. § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)				
2007	\$ 72,200.00						
TOTAL:	\$ 623,200.00						
End Date	6/30/2007						
Contractor Ownership (complete only for base contracts with contract # prefix FA or GR) N/A							
<input type="checkbox"/> African American		<input type="checkbox"/> Person w/ Disability		<input type="checkbox"/> Hispanic		<input type="checkbox"/> Small Business	
<input type="checkbox"/> Asian		<input type="checkbox"/> Female		<input type="checkbox"/> Native American		<input type="checkbox"/> NOT disadvantaged	
<input type="checkbox"/> OTHER minority/disadvantaged—							
Contractor Selection Method (complete for ALL base contracts—N/A to amendments or delegated authorities)							
<input type="checkbox"/> RFP		<input type="checkbox"/> Competitive Negotiation		<input type="checkbox"/> Alternative Competitive Method			
<input checked="" type="checkbox"/> Non-Competitive Negotiation		<input type="checkbox"/> Negotiation w/ Government (eg, ID, GG, GU)		<input type="checkbox"/> Other			
Procurement Process Summary (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)							
The University of Tennessee has an affiliation agreement with the East Tennessee Children's Hospital to provide supervision and training of Family Medicine residents located in Knoxville. The East Tennessee Children's Hospital is the only facility in Knoxville with enough pediatric patient volume to meet our needs							

APPROVED:

Date _____

services since September 1, 2001.	
12) Name & Address of the Proposed Vendor/Contractor(s): (not required if proposed contractor is a state education institution)	
East Tennessee Children's Hospital, PO Box 15010, Knoxville, TN 37901-5010	
13) Evidence of the Proposed Vendor/Contractor's Experience and Length of Experience Providing the Service :	
The East Tennessee Children's Hospital has operated in Knoxville since 1955.	
14) Documentation of Office for Information Resources Endorsement : (required <u>only</u> if the subject service involves information technology)	N/A
15) Documentation of Department of Personnel Endorsement : (required <u>only</u> if the subject service involves training for state employees)	N/A
16) Documentation of State Architect Endorsement : (required only if the subject service involves construction or real property related services)	N/A
17) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :	
The East Tennessee Children's Hospital is the only hospital in Knoxville who can meet the needs of the Family Medicine residency program in pediatrics.	
18) Justification of Why the University Should Use Non-Competitive Negotiation Rather Than a Competitive Process: (Being the "only known" or "best" service provider to perform the service as desired will not be deemed adequate justification.)	
The UT Graduation School of Medicine does not have the pediatric resources available on site. The East Tennessee Children's Hospital is the only hospital in the Knoxville area with the patient volume available for teaching and with pediatric subspecialists already approved as faculty.	

**FAMILY MEDICINE EDUCATION AFFILIATION AGREEMENT
BETWEEN THE UNIVERSITY OF TENNESSEE AND
EAST TENNESSEE CHILDREN'S HOSPITAL**

This agreement is entered into the first day of July 2006, between East Tennessee Children's Hospital ("ETCH") and the University of Tennessee ("University") on behalf of the University of Tennessee Graduate School of Medicine ("UTGSM").

RECITALS

WHEREAS UTGSM and ETCH desire to further and enhance cooperation between the two institutions through sharing of clinical resources, furthering education of Family Medicine residents; and

WHEREAS, UTGSM and ETCH desire the mutual support of the two institutions for purposes of meeting their respective requirements for education in the field of pediatrics; and

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties agree as follows:

1. The term of this agreement shall be for twelve (12) months commencing on July 1, 2006 and ending June 30, 2007.

2. **Educational Programs**

2.1 Academic Appointments/Faculty. ETCH physician staff members providing services under this Agreement shall be recommended for non-tenured and non-salaried faculty appointments to the UTGSM.

2.2 The Clinical Program Coordinator or his designee will perform oversight of the educational programs. In this capacity the Clinical program Coordinator shall report to the Family Medicine Program Director and Chairman of the Department of Family Medicine, UTGSM or his/her designee.

2.3 The total annual resident rotations will be a maximum of 19 resident months consisting of inpatient and emergency medicine care.

3. **Other Educational Obligations of the Parties**

3.1 For Residents chosen to perform, participate in or observe clinical activities at ETCH, ETCH shall:

- 1) Provide physical facilities and clinical equipment necessary for the required education experience.
- 2) Recognize that those ETCH staff with faculty appointments will be sharing the educational responsibilities with UTGSM.
- 3) Provide students and residents assigned to ETCH, whenever necessary and feasible, with the use of library facilities, lockers, sleep quarters, dressing room space, parking, and appropriate meals.
- 4) Provide residents assigned to ETCH, an orientation to the operational policies and regulations of ETCH.
- 5) Provide Clinical program Coordinator with time to participate in the clinical education program including time to attend faculty meetings and conferences, as well as give lectures at UTGSM.
- 6) Provide the Family Medicine Program Director with completed evaluation forms for each resident rotating at ETCH.
- 7) Enforce any and all rules, regulations, policies, or procedures of UTGSM with regard to adjunct faculty, and students and residents assigned to ETCH.

3.2 The Graduate School of Medicine shall:

- 1) Require that all residents chosen to perform, participate in, or observe clinical activities at ETCH comply with applicable rules and regulations of ETCH.
- 2) Provide to the Clinical Program Coordinator all the necessary forms, including instructions for their use, to be used in evaluating the performance of the assigned students.
- 3) Provide faculty/staff development necessary to provide appropriate teaching by ETCH faculty.

4. **Financial Arrangements and Compensation**

- 4.1 The monies to support this program will derive from:
- a) Compensation to ETCH from the Department of Health and Human Services (DHHS) based upon 19 rotation months as allotted by the Graduate School of Medicine based upon their UTGSM Direct Medical Education allocation.
 - b) Compensation from the Graduate School of Medicine to ETCH in the form of a monthly payment for faculty/physician supervision and teaching of residents in the GSM residency program. Compensation will be based upon \$3,800.00 per resident month for 19 rotation months. The total amount of compensation is \$72,200.
- 4.2 If the cost of this educational program to ETCH is less than the sum of the payments made to ETCH by UTGSM, and compensation from DHHS the overage will be refunded to UTGSM.

5. **Insurance Coverage/Liability**

Both parties warrant that they have and shall maintain adequate insurance coverage.

- 5.1 University. The University of Tennessee is self insured under the provisions of the Tennessee Claims Commission Act, T.C.A. § 9-8-301, et seq., which provides for a limited waiver of the State's sovereign immunity in specified cases, up to \$300,00 per claimant and \$1,000,000 per occurrence. Any liability of the University of Tennessee for damage, losses, or costs arising out of or related acts performed by the University under this Agreement is governed by the provisions of said Act.
- 5.2 UT Residents. Residents of UTGSM are employees of the State of Tennessee and are provided liability coverage, as outlined in T.C.A. § 9-8-301 et seq. (see 5.1 above)
- 5.3 ETCH and any physician providing services under this Agreement, prior to the commencement of the initial term of this Agreement, and at all time subsequent thereto during the duration of this Agreement, shall at their sole expense obtain and maintain, with commercial carriers reasonably acceptable to university, appropriate workers' compensation coverage along with professional and comprehensive general liability insurance. The comprehensive general liability coverage shall be in amounts from time to time determined by University, but in no event less than one million dollars (\$1,000,000). Professional liability coverage shall be in amounts from time to time determined by University, but in no event less than a minimum amount of one million dollars (\$1,000,000) for each

occurrence and three million dollars (\$3,000,000) annual aggregate. ETCH and any physician providing services under this Agreement shall provide certificates of insurance reflecting such coverage at the request of the University and shall provide at least thirty (30) days advance written notice to the University of any proposed alteration of coverage, cancellation, or proposed cancellation for any reason.

6. **Equal Opportunity Employment/ Non-Discrimination**

No person shall be excluded from participation in, or be denied benefits of, or be otherwise subjected to discrimination in the performance of the Agreement or any Addenda on the grounds of disability, age, race, color, religion, sex, national origin, veteran status, or any other classification protected by federal and/or Tennessee constitutional provision and/or statutory law. University, UTGSM, and ETCH shall, upon request, show proof of compliance with this non-discrimination policy to the other, and shall post in conspicuous places, available to all employees and applicants, notice of their non-discrimination position.

7. **Automatic Inclusion in Changes in Law**

Any requirements imposed under applicable law or regulation as in effect from time to time shall, where inconsistent with any provision of this Agreement, be controlling and shall govern rights of the parties hereto. Any such provisions under applicable law or regulation which will supersede or invalidate any provisions hereof shall not affect the validity of this Agreement and the remaining provisions hereof, unless such a change would prevent the accomplishment of the objectives and purposes of this Agreement as set forth herein.

8. **Entire Agreement**

This writing and any attachments hereto are meant to be the sole manifestation of the intent of the parties, and shall supersede any and all prior agreements either oral or in writing, with regard to the subject matter hereof.

9. **"No Third Party Beneficiary" Clause**

This Agreement is intended solely for the benefit of the parties hereto. All other parties, named or unnamed in this Agreement, shall have no rights or remedies under this Agreement, nor should this Agreement be deemed to, or held as evidence of any rights therein.

10. **Severability Clause**

If any provision of this Agreement is held to be illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining portions of this Agreement unless such illegality or invalidity prevents accomplishment of the goals, objectives, or purposes of the Agreement.

11. **Titles**

The Part and Paragraph titles included herein are for organizational purposes only, and are not part of this Agreement. As such said, titles shall be given no effect in the interpretation of this Agreement.

12. **Waiver of Breach**

Any waiver of past breach, default, deficient performance or otherwise, even on multiple occasions, shall not be considered as a waiver of any rights or remedies at law or equity in any future circumstance regardless of similarity to past instances.

13. **Warranty of Signatory Authority to Sign**

Both parties warrant that the person indicated on signatory line to this Agreement, have the authority to bind their organization, and is the appropriate designated person to sign this Agreement.

14. **Obligations Upon Termination**

The parties agree to cooperate with each other to resolve promptly any outstanding financial, administrative or patient care issues upon termination of this Agreement. Such obligation shall include but is not limited to the provision of patient, resident and/or administrative records, payments, or otherwise necessary to conclude the relationship of the parties. This paragraph shall survive the termination of this Agreement for any reason.

15. **Multiple Counterparts**

This Agreement may be signed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute a single instrument.

16. **Termination for Cause**

UTGSM and ETCH may terminate this Agreement immediately upon any of the following occurrences:

- a) In the event of the revocation or suspension of the license or insurance coverage of UTGSM, ETCH, or any physician providing services under this Agreement;
- b) In the event of the implementation of any disciplinary action against or other censure or punishment of UTGSM, ETCH, or any physician providing service under this Agreement by any licensing agency, medical board, hospital, peer review organization, HCFA or other entity authorized to review the professional actions of and/or discipline any of these parties;
- c) Upon any breach of this Agreement;
- d) In the event of loss of University faculty appointment of any of the physicians providing services under this Agreement.

**EAST TENNESSEE
CHILDREN'S HOSPITAL**

By: _____

James K. Pruitt
Vice President for Finance
2018 Clinch Avenue
Knoxville, TN 37916

Phone: 865-541-8181
Fed ID: 62-6002604

THE UNIVERSITY OF TENNESSEE

By: _____

James J. Neutens, PhD
Interim Dean
UT Graduate School of Medicine
1924 Alcoa Highway, U-94
Knoxville, TN 37920

Phone: 865-544-9290

Vice President
UT!

ADDENDUM

To the Family Medicine Education Affiliation Agreement

Re: Page 1, Paragraph 1. Term of Agreement

Either party may terminate this Contract by giving the other party at least thirty (30) days written notice before the effective termination date, in which event the other party shall be entitled to receive equitable compensation for satisfactory authorized work completed as of the termination date.

EAST TENNESSEE CHILDREN'S HOSPITAL

UNIVERSITY OF TENNESSEE

Authorized Signature

Date

Vice President

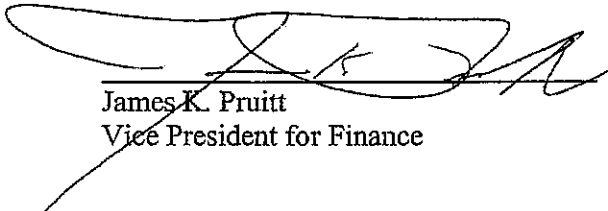
Date

**TRANSFER AGREEMENT BETWEEN
THE UNIVERSITY OF TENNESSEE AND
EAST TENNESSEE CHILDREN'S HOSPITAL**

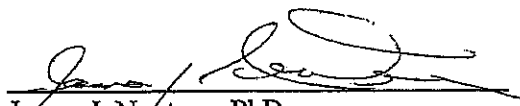
1. This Agreement is entered into the first day of July 2006, between East Tennessee Children's Hospital ("ETCH") and the University of Tennessee ("University") on behalf of the University of Tennessee Graduate School of Medicine ("UTGSM").
2. UTGSM and ETCH desire the transfer of 1.57 full-time equivalent direct medical education residents (19 months of resident service) as determined under section 1886 (h)(4) of the Social Security Act and Title 42, Volume 2, Section 413.86 of the Code of Federal regulations; and
3. UTGSM and ETCH desire that ETCH apply to the Department of Health and Human Services under the Children's Hospitals Graduate Medical Education Payment Program for funding in Federal Fiscal Year 2007 for the 1.57 full-time equivalent direct medical education residents to be trained at ETCH;
4. UTGSM and ETCH approve this transfer of 1.57 full-time equivalent direct medical education residents under the signed affiliation agreement between the institutions.

**EAST TENNESSEE CHILDREN'S
HOSPITAL (ETCH)**

**THE UNIVERSITY OF TENNESSEE
(UNIVERSITY)**



James K. Pruitt
Vice President for Finance



James J. Neutens, PhD
Interim Dean, UT Graduate School of
Medicine

2018 Clinch Avenue
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